

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI IMMEDIATE

INFO US MISSION IAEA VIENNA 0000

AMEMBASSY ISLAMABAD

C O N F I D E N T I A L STATE 132032

CORRECTED COPY (LINE OMITTED PARA 2)

E.O: 11652:GDS

TAGS:TGEN

SUBJ: SHIPMENTS OF NUCLEAR FUEL TO INDIA

1. ACTING SECRETARY SISCO CALLED IN AMBASSADOR KAUL AND GAVE HIM FOLLOWING LETTER DATED JUNE 19 FROM USAEC CHAIRMAN RAY TO INDIAN AEC CHAIRMAN SETHNA.

2. BEGIN TEXT: AS YOU ARE AWARE A FIVE-PART SHIPMENT OF ENRICHED URANIUM FUEL FOR THE TARAPUR REACTORS HAS BEEN SCHEDULED FOR THE PERIOD BETWEEN JUNE 15, 1974 AND APRIL 1, 1975. DELIVERY IS BEING MADE OF THE INITIAL PORTION OF THIS SHIPMENT. IN THIS CONNECTION, THE USG WISHES TO EMPHASIZE ITS UNDERSTANDING, EXPRESSED MOST RECENTLY BY THE US REPRESENTATIVE TO THE IAEA BOARD OF GOVERNORS ON JUNE 12, 1974; (1) THAT THE USE IN OR FOR  
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ANY NUCLEAR EXPLOSIVE DEVICE OF ANY MATERIAL OR EQUIPMENT

SUBJECT TO UNITED STATES AGREEMENTS FOR COOPERATION IN CIVIL USES OF ATOMIC ENERGY IS PRECLUDED; AND (2) THAT UNDER THE SAFEGUARDS AGREEMENTS RELATED TO SUCH AGREEMENTS FOR COOPERATION, THE IAEA IS RESPONSIBLE FOR VERIFYING, INTER ALIA, THAT THE SAFEGUARDED MATERIAL IS NOT USED IN OR FOR ANY NUCLEAR EXPLOSIVE DEVICE. THE USG HAS PERMITTED THIS INITIAL PART OF THE SHIPMENT TO PROCEED ONLY ON THE BASIS OF THE FOREGOING UNDERSTANDINGS AND ON THE ASSUMPTION THAT THE GOI WILL RESPECT THESE UNDERSTANDINGS. THE USG REQUESTS CONFIRMATION BY THE GOI PRIOR TO THE DATE OF THE NEXT SCHEDULED PORTION OF THE SHIPMENT THAT IT WILL TAKE NO ACTIONS WHICH ARE INCONSISTENT WITH THE FOREGOING

UNDERSTANDINGS. END TEXT.

3. ACTING SECRETARY MADE FOLLOWING POINTS TO AMBASSADOR:

A. INDIAN TEST OF NUCLEAR EXPLOSIVE DEVICE HAS CAUSED US TO REVIEW OUR EXISTING NUCLEAR COOPERATION WITH INDIA, IN PARTICULAR, OUR 1963 AGREEMENT REGARDING THE TARAPUR REACTORS FOR WHICH WE HAVE AGREED TO PROVIDE ENRICHED URANIUM FUEL.

B. WE WISH TO ASSURE OURSELVES THAT THERE IS NO AMBIGUITY WITH RESPECT TO INDIAN WILLINGNESS TO ACT IN ACCORDANCE WITH U.S. POLICY REGARDING THE USE OF ANY MATERIAL OR EQUIPMENT, SUBJECT TO OUR AGREEMENT OF COOPERATION, IN ANY NUCLEAR EXPLOSIVE DEVICE.

C. U.S. POLICY IN THIS REGARD WAS DESCRIBED IN A U.S. AIDE MEMOIRE PRESENTED TO THE INDIAN AEC ON NOVEMBER 16, 1970. AMBASSADOR TAPE AT THE IAEA BOARD OF GOVERNORS ON JUNE 12, 1974 REAFFIRMED THIS POLICY.

D. SPECIFICALLY, AMBASSADOR TAPE EXPRESSED THE U.S. UNDERSTANDING THAT:

1. THE USE IN OR FOR ANY NUCLEAR EXPLOSIVE DEVICE OF ANY MATERIAL OR EQUIPMENT SUBJECT TO UNITED STATES AGREEMENTS FOR COOPERATION IN CIVIL USES OF ATOMIC ENERGY IS CONFIDENTIAL

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PRECLUDED; AND

2. THAT UNDER THE SAFEGUARDS AGREEMENTS RELATED TO SUCH AGREEMENTS FOR COOPERATION, THE IAEA IS RESPONSIBLE FOR VERIFYING, INTER ALIA, THAT THE SAFEGUARDED MATERIAL IS NOT USED IN OR FOR ANY NUCLEAR EXPLOSIVE DEVICE. (OUR 1971 AGREEMENT PROVIDED FOR IAEA SAFEGUARDS ON THE TARAPUR REACTORS.)

E. AMBASSADOR TAPE ALSO STATED THAT "THE CONTINUED CO-OPERATION OF THE UNITED STATES WITH OTHER COUNTRIES IN THE NUCLEAR FIELD IS DEPENDENT ON THE ASSURANCE THAT THESE UNDERSTANDINGS WILL CONTINUE TO BE RESPECTED IN THE FUTURE.

F. IN NOVEMBER THE INDIAN AEC REQUESTED USAEC TO PROVIDE FIVE ADDITIONAL SHIPMENTS OF SLIGHTLY ENRICHED URANIUM BETWEEN THE PERIOD OF JUNE 1974 AND APRIL 1975 FOR TARAPUR.

G. THE FIRST SHIPMENT IS SCHEDULED TO BE LOADED ON AN INDIAN VESSEL IN NEW YORK TODAY. THE SECOND OF THE FIVE-PART SHIPMENT IS CURRENTLY SCHEDULED TO BE MADE IN OCTOBER.

H. WE RECOGNIZE THAT TARAPUR REACTORS ARE AN IMPORTANT SOURCE OF POWER IN THE BOMBAY AREA AND WOULD BE SERIOUSLY DEGRADED UNLESS ALL FIVE SHIPMENTS ARE MADE. WE HAVE NO REASON TO BELIEVE THAT INDIAN BEHAVIOR AS IT RELATED TO THESE REACTORS IS NOT IN ACCORD WITH U.S. POLICY. IN ABSENCE OF SECRETARY, I UNDERTOOK AN OVERALL REVIEW. I HAVE DECIDED THAT IN LIGHT OF THE RECENT INDIAN TEST, WE MUST HAVE CONFIRMATION OF INDIAN WILLINGNESS TO ACT IN ACCORDANCE WITH THIS POLICY.

I. I AM PERMITTING, THEREFORE, DELIVERY TO BE MADE TODAY OF THE INITIAL PORTION OF THIS FIVE-PART SHIPMENT OF ENRICHED URANIUM. SU0SEQUENT DELIVERY OF THE FUEL, HOWEVER, WILL DEPEND ON RECEIVING, PRIOR TO THE DATE OF THE NEXT SCHEDULED PORTION OF THIS SHIPMENT, CONFIRMATION BY THE GOVERNMENT OF INDIA THAT IT WILL TAKE NO ACTIONS THAT ARE INCONSISTENT WITH U.S. POLICY.

J. THIS THEN IS THE PURPOSE OF THE AEC CHAIRMAN'S LETTER  
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TO CHAIRMAN SETHNA, ACTING SECRETARY STATED. HE NOTED THAT LETTER CALLED FROM RESPONSE FROM GOI TO USG NOT FROM INDIAN AEC TO US AEC.

4. ACTING SECRETARY SAID HE HAD ONE FINAL POINT: WORD OF HIS AFFIRMATIVE ACTION ON SHIPMENT HAD APPARENTLY ALREADY GOTTEN TO CONGRESS. WE WILL THEREFORE HAVE TO (A) CONSIDER WHAT TO SAY IN RESPONSE TO PRESS QUERIES AND (B) REVIEW OUR PLANS FOR TOUCHING BASES ON HILL. (FYI - OUR PLAN WAS TO ADVISE STAFF DIRECTOR OF JOINT ATOMIC ENERGY COMMISSION OF WHAT WE WERE DOING. END FYI).

5. AMBASSADOR KAUL MADE NO SUBSTANTIVE REPLY, BUT SAID HE COULD ASSURE ACTING SECRETARY INDIA HAD NOT AND WOULD NOT VIOLATE ITS AGREEMENTS WITH US. SISCO SAID THIS WAS

GOOD AND ADDED THAT THE QUICKER WE RECEIVE A REPLY THE BETTER.

6. TURNING BRIEFLY TO CONGRESSIONAL ATTITUDES ON AID TO INDIA, ACTING SECRETARY TOLD KAUL WE HAD CONCLUDED \$75 MILLION WAS IN SERIOUS TROUBLE ON HILL. HE EMPHASIZED THAT ADMINISTRATION WAS MAKING VIGOROUS DEFENSE OF REQUEST, BUT NOTED PROBLEM GREATLY COMPLICATED BECAUSE INDIAN TEST HAS BEEN RELATED TO USG DECISIONS TO PROVIDE NUCLEAR REACTORS IN MIDDLE EAST. KAUL SAID THAT AFTER SEEING NUMBER OF CONGRESSMEN, INCLUDING LEE HAMILTON AND WAYNE HAYS, HE AGREED WITH ACTING SECRETARY ABOUT PROBLEMS AID TO INDIA FACED ON HILL. KISSINGER

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